

Proposition 39: California Clean Energy Jobs Act –2015

Program Implementation Guidelines

(Revised December 10, 2014)

Summary of All Changes

Topic	Guideline Revision	Issue	Page #
Definition of an Eligible Energy Project	Revised the definition of an eligible energy project. Changed from a bundled group of energy efficiency measures and/or clean energy installations in or at a school site to efficiency measures and/or clean energy installations within an Local Educational Agency (LEA).	LEAs now can bundle energy efficiency measures and/or clean energy installations (in or at one or <u>more school sites</u>) within an LEA. An eligible energy project must achieve a minimum savings-to-investment ratio (SIR) of 1.05.	5, 22, and Appendix D
Definition of Large Eligible Energy Project	Added clarification language.	Provides additional clarification that the total project cost of more than \$250,000 must be the Proposition 39 funding share.	5, 14
Schedule	Added date for State Superintendent of Public Instruction (SSPI) to begin allocating awards for approved multiple-year energy expenditure plans.	In the second year of the Proposition 39 program and moving forward, many LEAs will be receiving their annual allocations based on a multiple year energy expenditure plan approved in a prior fiscal year. SSPI will allocate these awards starting in January 2015 (annually).	8
Interest Earned on Proposition 39 Funds	Added a new subcategory within the Award Allocation section regarding interest earned.	Provides new guidelines to LEAs on how the interest earned on Proposition 39 funds can be expended.	10
Two-year Combined Award Option	Added clarification language.	LEAs in Tier 1 and Tier 2 can select this option twice during the five year Proposition 39 program.	10
Energy Planning Funds Reservation Option	Added clarification language.	Provides clarification on energy planning fund eligibility for LEAs whose first year of program eligibility occurs after fiscal year 2013-14.	11

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New Charter Schools Commencing Instruction in fiscal year 2013-2014 or later	Added clarification language.	Provides clarification to new charter schools regarding retroactively paying for energy planning activities.	13
Step 1: Electric & Gas Usage/Billing Data	Removed option for LEA to use a Utility Company Data Release Authorization form.	LEAs must use the Energy Commission's Utility Data Release Authorization Form (UDRF) when consenting to allow the LEA's utility provider(s) to release historic and ongoing billing and energy usage data to the Energy Commission.	16
Step 1: Electric & Gas Usage/Billing Data	Added clarification language that the UDRF is for all of an LEA's accounts, not just for schools requesting P39 funding.	The Energy Commission must have access to all utility account information.	16
SIR Alternative for Zero Net Energy LEAs	Alternative cost effectiveness methodology for LEAs which had zero dollar utility bills or positive bill credit prior to December 19, 2013.	Allows for alternative cost effectiveness criteria methodology for zero net energy LEAs.	23 and Appendix D
Step 7: Multiple-year (Bundled) award energy expenditure plan	Added clarification.	Provides clarification on when LEAs will receive yearly allocations approved in a multiple-year energy expenditure plan. Provides clarification for estimating future yearly awards for energy-related training and energy manager funding included in a multiple-year energy expenditure plan.	24-25
Audit	Added clarification paragraphs.	Provides clarification on payback, project and property related to PRC 26240(h)(1). Also provides web link to CDE's current audit guide booklet.	32-33

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Energy Expenditure Plan Implementation Changes	<p>Added “decreases” by 15% to the significant changes that trigger a EEP amendment</p> <p>Deleted “<i>Relocating an energy measure to a different school site. For example, retrofitting HVAC units at School A, when the energy expenditure plan indicated the HVAC units for School B.</i>”</p>	<p>Accountability of Proposition 39 funding for projects that are completed significantly below the estimated total project cost.</p> <p>This will not be allowed for amendments. A new energy expenditure plan is required if an energy measure is relocated to a different school site.</p>	33
Contracts	No Sole Source Provision	NO CHANGE	34
Appendix A: Funding Allocation	Revised Funding Allocation and added an additional Summary Table	Includes 2014/15 Funding Allocation and an Appropriation Summary	Appendix A
OLD Appendix B: Energy Savings Calculators	Removed original Appendix B: Energy Savings Calculators from the Guidelines.	This information is also in the Energy Expenditure Plan Handbook.	B-1
Appendix D: Savings-to-Investment Ratio (SIR) Calculation	<p>Added clarification language.</p> <p>Revised leveraged funding that can be subtracted from the project installation cost in the SIR calculation.</p>	<p>Design costs and other soft costs are optional to include in the SIR calculation.</p> <p>Removed “grants” and added non-repayable funds such as bond funding, deferred maintenance, general operation budgets and other funds used to finance the project.</p>	D-1
Appendix E: Effective Useful Life for Energy Measures in Years	Added energy measures and the associated effective useful life in years to Appendix E.	Updated the list of energy measures to reflect the 2014 updates of the Database for Energy Efficiency Resources (DEER).	Appendix E

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Appendix F: Power Purchase Agreement SIR Calculation and Conditions	Modified the Power Purchase Agreement's Savings to Investment Ratio formula. Added Power Purchase Agreement Terms and Conditions.	Modified the Power Purchase Agreement's Savings to Investment Ratio formula for more consistency with energy efficiency measures Savings to Investment Ratio formula. Added terms and conditions required for power purchase agreement contracts between LEAs and solar vendors that use Proposition 39 funding.	Appendix F